

## BEFORE THE IOWA INSURANCE DIVISION

- - - - - X  
 IN RE: :  
 : PUBLIC HEARING  
 ASSURANT HEALTH PROPOSED :  
 2015 RATE INCREASE :  
 - - - - - X

Mercy College of Nursing  
 Sullivan Center  
 928 Sixth Avenue  
 Room 210  
 Des Moines, Iowa  
 Saturday, July 26, 2014

The above-entitled matter came on for hearing at  
10 a.m.

BEFORE: NICK GERHART, Insurance Commissioner

Also Present: ANGEL ROBINSON, ESQ.  
 Consumer Advocate  
 Iowa Insurance Division  
 Two Ruan Center  
 601 Locust, 4th Floor  
 Des Moines, Iowa 50309-3738  
  
 JULIANNE LAWRENCE  
 Iowa Insurance Division

THERESA KENKEL - CERTIFIED SHORTHAND REPORTER

1                   P R O C E E D I N G S

2                   COMMISSIONER GERHART: Good morning,  
3 everybody. We have three public hearings this  
4 morning, and we're going to start with the first one.  
5 It's 10 o'clock now. It's Time/Assurant Company.

6                   I'm going to make some opening remarks, and  
7 then we'll enter into the hearing this morning. And  
8 just for an overview, after my opening remarks there  
9 will be a presentation of any public comments by  
10 Angel Robinson, the State Consumer Advocate.

11                  UNIDENTIFIED VOICE: Council Bluffs isn't  
12 able to hear right now.

13                  COMMISSIONER GERHART: Council Bluffs,  
14 you're not able to hear?

15                  Is that on now?

16                  UNIDENTIFIED VOICE: We can hear you.

17                  COMMISSIONER GERHART: Can you hear this,  
18 Nate?

19                  UNIDENTIFIED VOICE: Yes.

20                  COMMISSIONER GERHART: Okay. So after the  
21 presentation of public comments by Angel Robinson,  
22 there will be opportunity for additional public  
23 comment by any interested parties, if any do show up  
24 to make those comments. And then the carrier, Time/  
25 Assurant, will have time to make some remarks, and I

1 will have some closing remarks.

2 Right now I'm going to go ahead and do my  
3 opening remarks. For all those who are in attendance  
4 at any of the sites and here in Des Moines, make sure  
5 you sign in. If you are going to be making any  
6 comments, please speak into the microphone and do not  
7 depress the microphone.

8 And for those off-site, outside of  
9 Des Moines, we will be going to you as well, and  
10 you'll have an opportunity to make comments. But  
11 let's try to do those in an ordinarily fashion. So  
12 we'll go site-to-site after we conclude any remarks  
13 here in Des Moines.

14 The microphones in all locations are live.  
15 So, again, be careful not to accidentally depress  
16 those microphones.

17 This is a public hearing open to comments  
18 from all interested parties. So, again, we ask that  
19 priority making comments be given to affected  
20 policyholders at any respective site.

21 So with those opening remarks concluded,  
22 Angel, would you please proceed with any public  
23 comments you've received for Time/Assurant.

24 MS. ROBINSON: Thank you, Commissioner  
25 Gerhart, for this opportunity to present the public

1 comment submitted on behalf of the Assurant/Time  
2 Insurance Company rate hearing.

3 As of June of 2014 I received notification  
4 from the Assurant Company/Time that a rate increase  
5 of 23 percent was going to be requested with a  
6 proposed effective date of January 2015.

7 At this time I can tell you that the State  
8 of Iowa and the Consumer Advocate have not received  
9 any other public comment. Though there are 1,025  
10 individuals who are affected and they received  
11 personal notice, we have not received any testimony  
12 to add to the record today.

13 COMMISSIONER GERHART: Okay. Thanks for  
14 that.

15 Now, looking around here in Des Moines, I do  
16 not see any interested parties. So I want to turn it  
17 over to the sites that are around the state,  
18 Burlington, Council Bluffs, Cedar Rapids, Fort Dodge,  
19 Mason City, and Spencer. Are there any interested  
20 parties at any of the off-site locations?

21 (No response.)

22 COMMISSIONER GERHART: Okay. I don't hear  
23 any.

24 Now we're going to shift to the remarks by  
25 the carrier.

1           Would the carrier like to make some remarks  
2 for the record?

3           MR. BROUILLETTE: Yes.

4           COMMISSIONER GERHART: Please introduce  
5 yourself.

6           MR. BROUILLETTE: Good morning. I am Ray  
7 Brouillette, vice-president and senior actuary for  
8 Assurant Health. Shall I begin with my comments?

9           COMMISSIONER GERHART: Please.

10          Can the sites hear him?

11          UNIDENTIFIED VOICE: Yes.

12          COMMISSIONER GERHART: Please proceed.

13          MR. BROUILLETTE: I appreciate the  
14 opportunity to be here today to represent Assurant  
15 Health and Time Insurance Company as carrier. As you  
16 are aware, Assurant Health/Time Insurance Company has  
17 filed a rate increase for January 2015 for our  
18 individual medical plans. This rate adjustment is  
19 necessary based upon the medical costs expected for  
20 the population that will be covered under this  
21 insurance plan.

22          We know that health care coverage and the  
23 cost of that coverage affect people's lives and  
24 that's a responsibility we take very seriously. So  
25 let me take this opportunity to discuss the factors

1 that are driving the increase.

2 Although we never want to increase premiums,  
3 we set rates at a level that we think are necessary  
4 to cover future claims costs so that we can fulfill  
5 our promises to our customers when they need us the  
6 most. Medical costs, which is the largest piece of  
7 the health care premium, and medical costs growth is  
8 the primary reasons why health care premiums increase  
9 year to year.

10 At Assurant Health we continually look for  
11 ways to appropriately manage health care expenses and  
12 reduce administrative costs so that we are able to  
13 provide affordable care in the State of Iowa.

14 Furthermore, we strive to allow customers to  
15 receive the highest quality of care with broad access  
16 to doctors and other health care providers within our  
17 network.

18 We are hopeful that the Department of  
19 Insurance will approve our proposed rate level  
20 because it is based upon appropriate actuarial method  
21 and is reflective of the costs expected for this  
22 business. The proposed premiums will allow us to  
23 properly pay for our claim obligations and to  
24 continue to provide broad access to quality care  
25 within the State of Iowa.

1 Thank you.

2 COMMISSIONER GERHART: Thank you. Thank you  
3 for those remarks.

4 And with that, I am going to go ahead and  
5 make some closing remarks on this hearing for Time/  
6 Assurant. I think it's important for everyone to  
7 know how to contact the Insurance Division,  
8 particularly Ms. Robinson. I'm going to go ahead and  
9 give a toll-free number. It's 877-955-1212. That's  
10 877-955-1212. So if there's any interested parties  
11 who would like to contact Ms. Robinson in the  
12 Insurance Division, please do so.

13 We have the filing, we are reviewing the  
14 filing. They're working with outside consultants and  
15 actuaries at this time. We will be making a  
16 recommendation to CMS about any qualified plans on  
17 the Exchange. And any plans that are not on the  
18 Exchange, we'll be certifying those rates probably  
19 within the next 60 days or so.

20 So with that, I'm going to conclude this  
21 hearing for Time/Assurant.

22 (Proceedings concluded at 10:09 a.m.)  
23  
24  
25

## C E R T I F I C A T E

I, the undersigned, a Certified Shorthand Reporter of the State of Iowa, do hereby certify that I acted as the official court reporter at the hearing in the above-entitled matter at the time and place indicated;

That I took in shorthand all of the proceedings had at the said time and place and that said shorthand notes were reduced to typewriting under my direction and supervision, and that the foregoing typewritten pages are a full and complete transcript of the shorthand notes so taken.

Dated at Des Moines, Iowa, this 30th day of July, 2014.

Theresa Kenkel  
CERTIFIED SHORTHAND REPORTER